



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

May 6, 2008

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Board of Supervisors  
GLORIA MOLINA  
First District

YVONNE B. BURKE  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT COMPROMISE  
OFFERS OF SETTLEMENT  
(ALL DISTRICTS AFFECTED)  
(3 VOTES)**

**SUBJECT:**

To request Board approval for the Director of the Department of Health Services (DHS) to accept compromise offers of settlement for patients who received medical care at non-County operated facilities under the Trauma Center Service Agreement.

**IT IS RECOMMENDED THAT YOUR BOARD:**

Authorize the Director of the Department of Health Services (Director) or his designee, to accept the attached offers of compromise, pursuant to Section 1473 of the Health and Safety Code, to settle the following individual accounts for patients who received medical care at non-County facilities under the Trauma Center Service Agreement:

- |     |                        |           |
|-----|------------------------|-----------|
| (1) | Account Number EMS 159 | \$ 22,481 |
| (2) | Account Number EMS 160 | \$ 7,500  |
| (3) | Account Number EMS 181 | \$ 5,000  |

**PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:**

The compromise offers of settlement for patient accounts (1) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the insurance policy or tort settlements involved in these cases.

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The County has entered in a number of agreements with non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. This agreement allows the County, after it has made payment for a particular patient, to pursue recovery from third parties, who are financially responsible for such trauma care.

The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net recovery on these accounts.

**Implementation of Strategic Plan Goal:**

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

**FISCAL IMPACT/FINANCING:**

This will expedite the County's recovery of trauma funds totaling \$34,981.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS:**

On January 8, 2002, the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

On November 1, 2005, the Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by the Board on December 8, 2005.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

**IMPACT ON CURRENT SERVICES (OR PROJECTS):**

All payments received will replenish the Los Angeles County Trauma Fund.

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**CONCLUSION**

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:SRH:SAS  
MLM:AT:yb

Attachments (3)

c: County Counsel  
Director and Chief Medical Officer, Department of Health Services

050608\_DHS\_Compromise Offer

### DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1  
DATE: May 6, 2008

<b>Total Charges (Providing Facility)</b>	\$243,379	<b>Account Number</b>	EMS 159
<b>Amount Paid to Providing Facility</b>	\$22,481	<b>Service Type</b>	Inpatient
<b>Compromise Amount Offered</b>	\$22,481	<b>Date of Service</b>	12/15/03-12/26/03
		<b>% of Payment Recovered</b>	100%

### JUSTIFICATION

The medical treatment to this patient was related to a work injury. As a result of this accident, the patient was treated at Cedar Sinai Medical Center and incurred total inpatient charges of \$243,379 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$22,481. The patient's claim was settled via Compromise and Release for \$25,000.

# DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2  
DATE: May 6, 2008

Total Charges (Providing Facility)	\$34,650	Account Number	EMS 160
Amount Paid to Providing Facility	\$9,900	Service Type	Inpatient
Compromise Amount Offered	\$7,500	Date of Service	07/10/06-07/12/06
		% of Payment Recovered	76%

## JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Huntington Memorial Hospital and incurred total inpatient charges of \$34,650 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$9,900. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$5,000	\$0*	0%
Los Angeles County	\$34,650	\$7,500	50%
Other Lien Holders	\$1,000	\$1,000	6.7%
Patient		\$6,500	43.3%
Total		\$15,000	100%

\* The lawyer has waived his fees.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

**DATA FOR COMPROMISE SETTLEMENT****COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES****TRANSMITTAL No. 3  
DATE: May 6, 2008**

<b>Total Charges (Providing Facility)</b>	<b>\$27,547</b>	<b>Account Number</b>	<b>EMS 181</b>
<b>Amount Paid to Providing Facility</b>	<b>\$5,508</b>	<b>Service Type</b>	<b>Inpatient</b>
<b>Compromise Amount Offered</b>	<b>\$5,000</b>	<b>Date of Service</b>	<b>09/14/07-09/14/07</b>
		<b>% of Payment Recovered</b>	<b>91%</b>

**JUSTIFICATION**

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Medical Center and incurred total inpatient charges of \$27,547 for medical services rendered. The facility has received payment from the Los Angeles County Trauma Fund in the amount of \$5,508. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

<b>Disbursement</b>	<b>Total Claim</b>	<b>Proposed Settlement</b>	<b>Percent of Settlement (\$15,000)</b>
<b>Attorney fees</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>33.3%</b>
<b>Los Angeles County</b>	<b>\$27,547</b>	<b>\$5,000</b>	<b>33.3%</b>
<b>Other Lien Holders</b>	<b>\$1,000</b>	<b>\$999</b>	<b>6.7%</b>
<b>Patient</b>		<b>\$4,001</b>	<b>26.7%</b>
<b>Total</b>		<b>\$15,000</b>	<b>100%</b>

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.